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(orig under Walter)

SPEECH

by

LT. GENERAL VERNON A. WALTERS

before

THE ROTARY AND KIWANIS CLUBS

MORI/CDF

Burlington, Vermont

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I must admit that it is with very special feelings I come back to Burlington. Not quite 35 years ago, as a private--a recruit in the Army--I disembarked from the train at Essex Junction where we were met by the Regimental Band of the 187th Field Artillery and marched back to Fort Ethan Allen. This is where, as far as I am concerned, it all began, and I must say that it is a very special feeling I have in coming back here after so many years. I had been back once or twice in the meantime, but this is the first time I have been here to stay for any length of time and I am very happy that this gives me the opportunity of talking with you for a minute about something I think is vital to our country, about which you have heard a great deal and about which, quite frankly, we don't feel you've heard our side of the story sufficiently. I would like to talk about intelligence, what it is, why it is important to the United States and why we need it now more than at any time in our history.

First of all we get down to the fundamental of what is intelligence. Intelligence is information concerning the actions, the capabilities, the intentions--political and military, financial and economic--of foreign countries that may have some impact upon our lives.

Why do we need intelligence? We need it for the same reason George Washington needed it and that every American President has needed it and Government has needed it since then. Except, George Washington, when he left, said "eternal vigilance is the price of freedom" but he was talking about a United States that had a two- or three-month cushion on either side. In all our past, the United States was considered by most of the rest of the world to be unreachable and therefore unbeatable. That is no longer true. The Soviets today are a global power. Germany at the height of its power was a European continental power, it was not a global power. The Soviets have proved in Angola that they are capable and willing of projecting their power 10,000 miles away from the Soviet Union. And we simply have to be better informed than at any time in our history. Knowledge is power. And if our leaders are to deal from a position of strength they must have knowledge of what is going on in the world, especially the world in which we live and in which perhaps only 20 percent of mankind lives under conditions that we would recognize as freedom. North America is no longer outside of all this.

We face today--one of the reasons why we need intelligence--a situation where for the first time since Valley Forge, other countries have the capabilities to inflict crippling or mortal

damage on us. This has not happened since the early days of our history. The Soviet Union has that kind of power today and has it deployed. China is growing rapidly and will soon move into that area. People are always fascinated by what we do in intelligence and they attach great attention to the espionage part of it which is really a very small part of the collection of intelligence. But the great questions for which the American people and Government are looking to us for answers and I think the great prime questions of tomorrow are: who will be in control of the Soviet Union five years from today; what will be their feelings and their dispositions towards us and towards our allies; what is there in Soviet science, research and development, today that will impact upon our lives five or ten years from today. And this is also true of China. China is not quite at the same level, but it will be quite soon.

We have another totally new factor in the world today. That is the factor of economic intelligence. In the past economic intelligence was always considered some sort of a by-product of a military capabilities study. But today we have billions of petro-dollars, we have billions of Euro-dollars, wandering around the world being invested and

used in ways which can affect the livelihood of the American worker. We live in a world where we are trying, through detente, to relax tensions with the Soviet Union. Relax them in a way which will ease the burden on the two countries without unfair advantage for one or for the other.

The Russians, you know, are a people of many proverbs. They always have a proverb for every situation. I was looking through a list of Russian proverbs the other day and I saw a very interesting one. It said, "When you make friends with a bear, do not let go of your axe," and I think this is one we would be well advised to bear in mind.

We have a number of other new problems in the world today which are different in intelligence from former years. First of all you have international terrorism which is almost organized like a government. You have possible nuclear proliferation from people--small countries--who used to rely or trust the guarantees of other countries and who no longer do and feel that only through developing their own nuclear weapons can they possibly ensure their own survival. And there is another factor which I think is not often understood and that is, intelligence is not just a force for war or for strength, it is also a force for peace.

No American President could sign any agreement concerning the limitation of strategic weapons unless he had the means of verifying whether they were or were not living up to that agreement.

We recovered from a naval Pearl Harbor. Could we recover from a nuclear Pearl Harbor?

So the importance of not being surprised is more essential to us today and more vital to the survival of our nation than at any other time. Our lives, our freedoms, our hopes for tomorrow rest upon our not being surprised. We cannot afford to be surprised and history will not forgive us if we are. It is very rare that a nation gets a second chance on something like this.

Yet to acquire this intelligence which is so vital to our nation, what do we do and how do we do it. Well, first of all, less than one penny out of every dollar spent by the United States Government goes to the collection of intelligence and I am talking not just about the CIA, I am talking about the total intelligence effort of the United States: the Defense Department, of the State Department, of the Treasury, of Atomic Energy, of some people at whom you would be surprised at being engaged in the collection of intelligence, and the Central Intelligence Agency. The relative cost has

been diminishing right along, both as a part of the National budget, as a part of the Defense budget, and intelligence personnel--personnel devoted to the collection of intelligence in the United States Government--are down by 40 percent since 1969 in spite of these enormous new tasks that are being levied on us, with the sophisticated systems that are coming in, with the requirements for economic intelligence, with the requirements to keep an eye on terrorism and so forth. Now this intelligence provides clear, up-to-date information to our Government on what is going on in the world. And in order to clarify, to establish our own foreign policy, it is very important for our leaders to be well informed. Good intelligence produces a firm support for United States foreign policy. It furnishes a sound basis for the development of our own military strength. I will just ask you for a minute: what would the situation be if we did not have accurate knowledge of the Soviet strategic forces and the U.S. Government had to prepare for any possible eventuality? Can you image what the cost would be to the American people? It is because we know in a very precise manner and to a very precise degree what the forces that could be used against us are, that we are able to tailor our own forces so that the burden upon the American people is not unbearable. It

enables us to plan for contingencies in the future for how we would use our forces if we were required to. Very important, and often overlooked I think, is the fact that the very fact that the United States has an effective and credible intelligence capability inhibits any nation which might be tempted to move against us. No agreements would be possible without effective intelligence. Defense costs would soar out of sight. You would have an arms race that could lead us to a tinderbox.

Now how do we go about collecting this intelligence? Well, we go about it basically in three different ways. We go about it overtly, that is, to say, through the open press, through the open radio broadcasts, and all of the open televisions broadcasts and so forth from all over the world. This is obviously the easiest kind of intelligence to collect, but surprisingly, overt intelligence provides perhaps 50 percent of the total content of our intelligence publications which go to our leaders and to our Congress. But, as I say, this is generally the easiest type of intelligence. But it is remarkable how much even in closed societies like some of the ones we face you can get by reading the press day after day, week after week, and year after year.

Then you have technical intelligence: the vast complex technical systems that we have been compelled to develop to have a look inside these closed dictatorial societies. They can buy American magazines that will give them information that we would have to spend a half billion dollars to get. I think that their problem is a little different from ours. Our problem is how to piece together the scraps we have and make valid intelligence out of them. Theirs is the torrent of information which is available to them and with their suspicious nature they're trying to figure out how much of it is real and how much we're telling them in order to fool them. I am sure one of the great debates going on in the Kremlin now is: what is the U.S. really doing about its intelligence. Obviously they've got some effective intelligence system hidden away, and all this CIA stuff is to draw our attention so that they can operate freely in the other areas.

Bill Colby used to say that one of his problems was scarcity and his counterpart, Mr. Andropov's, is over-abundance of information. and what to do with it.

But this technical intelligence I think is one of the great contributions the United States has brought to intelligence.

I am inclined to believe that intelligence is really the oldest profession of all. There are others who claim that another profession the oldest. However, you had to know where it was first; therefore, I think, that intelligence can truly be called the oldest profession. Modern intelligence in the sense in which we understand it really started in Britain during the reign of Queen Elizabeth I when Thomas Wallisingham went out and hired himself "five knaves." Ever since then the five knaves and their successors have contributed to make Britain a world power and to shield her through some tremendous conflicts.

But America, I think, has brought two great things to intelligence: one, the technical systems; and two, analysis. Analysis to a degree not seen before in intelligence; the hiring of people with specific knowledge and their devoting years of patient and continuous analysis to the various phenomena which we have to interpret for the United States Government. Finally there is the third--and this is the most difficult form of intelligence--which is the covert or clandestine collection--espionage if you will. Now there are those who raise their eyebrows at this, but I will remind you that the Bible tells us that Moses sent spies into the Land of Canaan, and quite frankly this has been going on as long as mankind has existed in organized societies. We have always had people in our American society who look

down on this. Outside the CIA we have a statue of Nathan Hale which I protested being put there. Not because he wasn't a very brave young man and he didn't utter the immortal lines about regretting that he had only one life to give to his country. But Nathan Hale was a spy who was caught on his first mission and he had all the evidence on him. I am not sure that's what we want to hold up to our young trainees as a model. Furthermore, he was sent to Manhattan to find out when and where the British were going to land. When he got there they were already there with the consequences that you know. And in addition to that, before he went he committed a breach of security. He told one of his friends, a captain in the Revolutionary Army that he was going to spy behind the British lines. And he looked at him and he said, "But, Nathan, how can you stoop so low?" So we've always had those people who regard the collection of necessary intelligence as something un-American or immoral or anything else. Well, I'll get to that in a minute--about what some of the Founding Fathers thought about intelligence and how they used it.

And then you get to the famous, much-discussed covert action, political action in other countries. We are the only people who have ever attempted to codify and put in writing what all nations have done: that is, attempt to

support their friends in other countries, attempt to move the opinion of the other countries in a sense favorable to your own. It has constantly been the feeling of the Presidents of the United States--at least since World War II--that the United States, and Congress has generally gone along with this, that we've got to have something between a diplomatic protest and landing the United States armed forces. We have got to have some means of quietly helping our friends who may be threatened by some kind of Communist subversion, by some kind of expansion, and I think a great many of the younger people do not remember the strength of our commitment in the United States under President Truman and thereafter to prevent the expansion of world communism that could weaken our position in the world.

This part of our activity has gotten out of all proportion in people's minds. It is a very small part of our activity, perhaps five or six percent of our budget is spent on this sort of activity. It is not something that we do lightly. We are not obsessed with espionage for the sake of espionage. If we can get intelligence in an overt way we prefer to do it that way. The ability to be able to do this, to give quiet help to your friends enables you to forestall a crisis and prevents something from growing into a much larger situation.

One of our American feelings has always been that there is something faintly wrong about intelligence. Let me quote some of the Founding Fathers on this. George Washington, in 1779, wrote a letter to his chief of intelligence in New Jersey, Colonel Elias Dayton, and this is what he said, "The need for procuring good intelligence is so obvious that I have nothing further to add on this score. All that remains is for me to tell you that these matters must be kept as secret as possible. For lack of secrecy, these enterprises generally fail. I am, Sir, your Obedient Servant, George Washington."

Another day, another evening, George Washington spent the night at the home of a sympathizer, a Mr. Holcomb, and in the morning he thanked Mr. Holcomb, mounted his horse and was getting ready to ride away when Mrs. Holcomb came out and said, "General, where do you ride to tonight?" And he leaned low in the saddle and he said, "Madame, can you keep a secret?" She said, "Yes." He said, "So can I, Madame," tipped his hat and rode on.

So the idea the Founding Fathers wanted every single detail to be held out is just not true.

The Committee of Secret Correspondence of the Continental Congress was asked to present to Congress a list of

the people it employed and how much it paid them. And the Committee of Secret Correspondence said that experience had shown that this was fatal to the people in the projects and did not do so. I will get to the question of what we tell the Congress in the oversight in just a second.

We are the only country in the world that has legislative oversight of our intelligence services. In fact, every day when I go to work and I see that huge road sign with an arrow that says CIA, I know it's the only road sign in the world pointing to the headquarters of the secret intelligence agency of any government in the world, democratic, dictatorial or any where in between. But that is our American way and that is the way we do it.

Now in the past we've had the National Security Act which set up CIA. It was basically set up because Pearl Harbor showed that various parts of the U.S. Government had little pieces of information squirreled away which, if they could have been brought together in some central place, might have enabled us to lessen the cost and the surprise of Pearl Harbor. We, by the Act that set us up, had as our oversight committees the Armed Services Committees of the House and Senate. We also had the Appropriations Committees of the House and Senate,

because to the contrary of what you may hear, we have to account and justify our budget in the greatest detail in the Executive Branch to the Office of Management and Budget and there are no secrets. And we have to justify it to the Appropriations Committees and the Government Operations Committees of the House and Senate. So, while our budget is not made public it is subjected to exactly the same kind of scrutiny within the Congress.

Now at various times in the past this oversight was not very tightly exercised, because Congress didn't want it that way. We ourselves can live with any kind of oversight the Congress determines. Our Director has expressed a preference and the President has expressed a preference for a single joint committee of House and Senate like the Atomic Energy Committee which has worked very well and has proved very able to keep secrets.

Now to get to these investigations, I would simply like to say that I cannot tell you that in the last 27 years, among the 76,000 people who have passed through the Central Intelligence Agency, that we have not had some kooks, that we've not had some people who have shown some very poor judgment, that

we've not had some people do things that we would rather they had not done. But, I would suggest that if you take any community in the United States of 76,000 people and subject it to the kind of scrutiny to which we've been subjected over the last year and a half, and I think you would find that our record would compare quite favorably with any of those communities or any of those other government organizations. To the best of my knowledge, as of today, no member of the Central Intelligence Agency has been indicted for any intelligence abuse, transgression, or other.

I can't tell you that there haven't been people who have done some things we would rather they had not, but I submit that the number is very small. You've heard some of the various things, for instance, the illegal phone taps. How many did we have? We had 32 illegal phone taps in 27 years. Okay, we should have had none. But how many of you who have a large number of people working for you can guarantee that everything that is going on in your organization is going on in exactly the way you want? And I would call to your attention that the Director of Central Intelligence is the only person in the United States Government who is charged by law with protecting his sources and methods.

I think the last year has made clear to us what the American people are willing for us to do and what they are not willing for us to do. I think everyone of us realizes that we cannot operate an intelligence service that does not have the support of the American people and we certainly intend to abide by whatever is determined. We do feel, however, that attempting to judge the past through the eyes of today does not give you a very accurate description of the circumstances in time.

We all take universal suffrage for granted. But in the early days of our national history, we did not have universal suffrage. We had the signers of the Declaration of Independence who said that all men were created equal, while they themselves owned slaves. You can't run a segregated school today. Twenty-five years ago you could and fifty years ago you would have gotten in trouble for trying to run any other kind.

Most of these transgressions and various things with which we have been charged date back to the Fifties and Sixties. .

Now I think we've got this out in the open, we've got this clarified, and I think we can go forward on the basis

of the new rules, on the basis of the Restrictions Order that the President has put out making it quite clear what can and cannot be done. We do not believe that secrecy should be used to cover abuses, but we do not believe that we should tell the whole world everything about what we're doing. Those who oppose us know very well as people what importance we attach to the rights and freedoms of our citizens and of fair play. And they, on their hand, do not have this kind of constraint or moral restraint on their attempts to control or alter our society.

We Americans have a very strong feeling about these things. The head of a friendly foreign service told me a story that I think is a little bit unkind to us but it is a little illustrative too. He said that on an island in the Pacific the cannibals captured three guys: one was a Frenchman, one was an Englishman and one was an American. The Chief said to them, "I have bad news and good news for you. The bad news is that we're going to eat you for lunch tomorrow and we'll have to kill you fairly early in the morning to get the cooking completed in time. Now after that bad news you need some good news and the good news is that I'll give you anything you want in the meantime short of setting you free." So he turned to the Frenchman and

he said, "What do you want?" The Frenchman said, "Well, if I am going to be executed in the morning I think I would just as soon spend the remaining time with that beautiful cannibal girl over there." So they said okay and they untied the Frenchman and he and the cannibal girl went off in the woods. Then they turned to the Englishman and said, "What do you want?" The Englishman said, "I want a pen and paper." They said, "What do you want a pen and paper for?" He said, "I want a pen and paper to write the Secretary-General of the United Nations to protest against the unjust, unfair, and unsporting attitude you are showing towards us." So they said okay and they gave the Englishman a hut and pen and paper and he went off to write. Then they turned to the American and said, "What do you want?" The American said, "I want to be led into the middle of the village, I want to be made to kneel down, and I want the biggest cannibal here to kick me in the rear end." And the Chief said to his Vice-Chief, "That's a wierd request but the Americans are a wierd bunch anyway, and since we promised, we'll do it." So they led the American into the middle of the village and made him kneel down and the biggest cannibal took a running leap, kicked the American in the rear end and knocked him about 15 feet. Now the American had been hiding a submachine

gun under his clothes and at this point he took it out, cut down the neighboring cannibals. The rest fled. The Frenchman, hearing the gunfire came out of the woods; the Englishman hearing the gunfire came out of his hut, and they looked at the American standing there with his smoking gun in his hand and they said, "Do you mean to say you had that gun the whole time?" The American said, "Sure," and they said, "Why didn't you use it before now?" The American-- and this is the foreigner telling me the story--looked at them with an expression of hurt sincerity and he said, "But you don't understand. It wasn't until he kicked me in the rear end that I had any moral justification for this extreme and violent action."

We live in a tough, tri-polar world today. The buffer states that existed between us and potential aggressors are no longer there. The Soviets and Chinese face one another in a confrontation of serious proportions.

If I may, just one more story: I heard this story that when Mr. Nixon went to Moscow, Mr. Brezhnev said to him that he had had a strange dream. Mr. Nixon said, "What was that?" and Mr. Brezhnev said, "I dreamt I was in Washington and I was looking at the Capitol and there was a huge flag flying over the Capitol." Mr. Nixon said, "Yes, that's the

American flag. It flies there whenever Congress is in session." Brezhnev said, "No, it wasn't the American flag; it had something written on it." Mr. Nixon said, "Written? What did it have written on it?" Brezhnev said, "It had written on it 'Capitalism is Doomed'." Mr. Nixon said, "That's strange, I had almost the same dream." Brezhnev said, "What did you dream?" "Well," he said, I dreamt I was in Red Square in Moscow and I was looking at the Kremlin and on the highest tower of the Kremlin there was a huge flag flying." Brezhnev said, "That's the Soviet flag; it flies there day and night." Mr. Nixon said, "No, it wasn't the Soviet flag, it had something written on it." Brezhnev said, "Written? What did it have written on it?" Mr. Nixon said, "I wish I could tell you but I can't read Chinese."

We have the Middle East; we have Angola; we have Ethiopia and Somalia; we have possible further North Vietnamese aggression in Southeast Asia; we have a number of problems facing us in the world. And I believe that the real issue before the American people is not the transgressions of 20 or 25 years ago; it is whether the United States will have eyes to see and ears to hear as it moves into the last quarter of this century.

I just want to tell you one more thing. People often say: how are the people at the Agency, how is it doing? and so forth. I am not an old CIA man. I came there for the first time four years ago. The first thing I would like to say is that if I were to sum up all my feelings about the CIA in one word, I would sum them up in the word reassurance. Reassurance because these are Americans like all the others; who live by the same standards of right and wrong as other Americans. Reassurance at the steadfastness of these people under a bombardment I think without parallel in American history, who are continuing to produce what I believe is the finest intelligence any government in the world is having set before it.

If I may quote another old Russian proverb that ante-dated perhaps Mr. Truman's story about "if you can't stand the heat stay out of the kitchen," the Russian proverb is "...if you fear wolves, don't go into the forest," and we have a lot of people who do not fear wolves, who are in a most dedicated and steadfast manner giving to the President, to the Secretaries of State and Defense and Treasury and others, to the Congress, the kind of information I think is essential if we are to survive.

The President has recommended a program, he's put out an Order of Restrictions stating specifically what is not acceptable; he is recommending legislation which is necessary to the Congress. We, on our part, will continue to do our best. We can live with whatever program they bring out, provided that there is some protection given to the men and women who, in dangerous places around the world every day--on a silent battlefield about which little is said--are risking their lives and their families' lives to make sure that the American people are not surprised again. And frankly, this is a tough task. It is an unending task and we have no alternative, for if we fall there is no one else to pick up the torch. I do not think we will fall.

Thank you very much.